



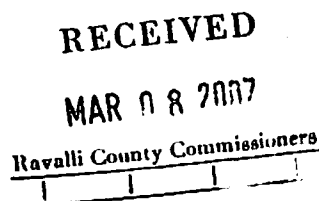
Montana Department of Transportation

2701 Prospect Avenue
PO Box 201001
Helena MT 59620-1001

Jim Lynch, Director
Brian Schweitzer, Governor

March 8, 2007

Ravalli County Commission
215 S 4th Ste A
Hamilton MT 59840-2853



Subject: Notification of one time only allocation change related to indirect cost recovery

Dear Commissioners,

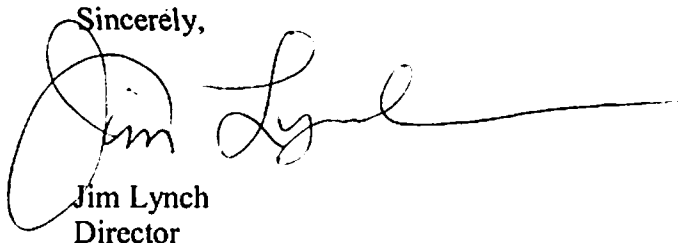
In April, 2006 you received a letter from the Montana Department of Transportation (MDT).

This letter explained the procedures MDT expected to use in the recovery of indirect costs for the following federal and state programs for the period of July 1, 2007 through June 30, 2008: *Urban, Secondary, Community Transportation Enhancement, Congestion Mitigation and Air Quality Improvement, and Montana Air and Congestion Initiative – Guaranteed.*

At that time, MDT anticipated recovered indirect costs could be returned to individual project expenditures in these programs through state fiscal year 2008 (end of June 2008).

Due to state accounting procedures, MDT cannot hold your projects harmless, as we stated. Your projects will be charged full indirect costs. However, each program listed above will be increased by 10.91 percent (the current indirect cost rate for fiscal year 2007), for fiscal year 2008 only.

Sincerely,



Jim Lynch
Director

copies: Division Administrators